

DECOMMISSIONING COST & FUNDING REPORT
AS OF DECEMBER 31, 2008
Dollars in Thousands

(1) UTILITY:
Duke Energy Carolinas

(2) PLANT:
All

(3) UNIT:
All

(4) COST STUDY COMPLETION DATE:
March 31, 2009

(5) DECOMMISSIONING STUDY INFORMATION

(a) Decommissioning Year: license expiration less 5 years	2028 to 2038
(b) Decommissioning Method Selected:	Prompt Dismantlement
(c) Cost Estimate Preparer	TLG Services, Inc.

(6) CALCULATION FACTORS:

(a) Projected Escalation Rate	4.00%
(b) Source Of Escalation Rate	Historical cost estimates, projected inflation
(c) Projected Net-Of-Tax Rate Of Return	
1. External Qualified Fund	6.00%
2. External Non-Qualified Fund	5.50%
3. Internal Fund	n/a
4. Composite	n/a
(d) SC Retail Jurisdictional Allocation Factor	24.52460%

(e) Utility Ownership Factor	Oconee	100%
	McGuire	100%
	Catawba	19.2460%

(7) DECOMMISSIONING COST ESTIMATE:

(a) Current Year Dollars:	
1. Radioactive Cost	\$ 2,810,000
2. Non-Radioactive Cost	\$ 185,000
3. Total	\$ 2,995,000
4. 2008 NRC Minimum Cost Pursuant to 10 CFR 50.75 (b) and (c)	\$ 2,071,000

(b) Projected Costs At License Expiration (2028-2038)	
1. Radioactive Cost	\$ 7,479,000
2. Non-Radioactive Cost	\$ 499,000
3. Total	<u>\$ 7,978,000</u>

(8) REVENUE REQUIREMENTS FOR SC RETAIL in millions:

Annual Total Revenue Requirements	
Radioactive	
1. Annual Revenue Requirement - External Qualified Fund	\$ 12
2. Annual Revenue Requirement - External Non-Qualified Fund	\$ -
Non-Radioactive	
3. Annual Revenue Requirement - Non-Radiological Qualified Fund	\$ -
4. Total	\$ 12

(9) POST ACCIDENT PREMATURE DECOMMISSIONING INSURANCE:

See Note 17 to 2008 Duke Energy Consolidated Financial Statements

ITEM / JURISDICTION

(10) FUND BALANCES AT COST ESTIMATE STUDY DATE (Note 1):

Beginning balances used in cost and funding calculations

(a) External - Qualified Funds	\$ 280,000	\$ 1,141,000
(b) External - Non-Qualified Fund (Note 2)	\$ 11,000	\$ 44,000
(c) External - Non-Qualified General Fund (Note 3)	\$ 61,000	\$ 250,000
(d) Total	\$ 352,000	\$ 1,435,000

(11) PROJECTED FUND BALANCES AT LICENSE EXPIRATION:

2038 excluding expenses

(a) External - Qualified Funds	\$	1,934,000	\$	7,888,000
(b) External - Non-Qualified Fund	\$	<u>22,000</u>	\$	<u>90,000</u>
(c) Total	\$	1,956,000	\$	7,978,000

Note 1: December 31, 2008 balances

Note 2: External non-qualified balance transferred to qualified fund in early 2009 to extent permissible under current IRS Ruling.

Note 3: Not designated at unit level. Projected balance at license expiration is that for date of first units decommissioned (Oconee 1 and 2 in 2028). Approximately \$35 million remains in a General Non-Qualified Fund, to be used in 2009 to decommission retired McGuire steam generators.

DECOMMISSIONING COST & FUNDING REPORT
AS OF DECEMBER 31, 2008
Dollars in Thousands

(1) UTILITY:
Duke Energy Carolinas

(2) PLANT:
Oconee

(3) UNIT:
Oconee 1

(4) COST STUDY COMPLETION DATE:
March 31, 2009

(5) DECOMMISSIONING STUDY INFORMATION

(a) Decommissioning Year: license expiration less 5 years 2028
(b) Decommissioning Method Selected: Prompt Dismantlement
(c) Cost Estimate Preparer TLG Services, Inc.

(6) CALCULATION FACTORS:

(a) Projected Escalation Rate 4.00%
(b) Source Of Escalation Rate Historical cost estimates, projected inflation
(c) Projected Net-Of-Tax Rate Of Return
1. External Qualified Fund 6.00%
2. External Non-Qualified Fund 5.50%
3. Internal Fund n/a
4. Composite n/a
(d) SC Retail Jurisdictional Allocation Factor 24.52460%
(e) Utility Ownership Factor 100%

(7) DECOMMISSIONING COST ESTIMATE:

(a) Current Year Dollars:
1. Radioactive Cost \$ 470,000
2. Non-Radioactive Cost \$ 22,000
3. Total \$ 492,000
4. 2008 NRC Minimum Cost Pursuant to 10 CFR 50.75 (b) and (c) \$ 372,000

(b) Projected Costs At License Expiration
1. Radioactive Cost \$ 1,030,000
2. Non-Radioactive Cost \$ 49,000
3. Total \$ 1,079,000

(8) REVENUE REQUIREMENTS FOR SC RETAIL in millions:

Annual Total Revenue Requirements
Radioactive
1. Annual Revenue Requirement - External Qualified Fund \$ 3
2. Annual Revenue Requirement - External Non-Qualified Fund \$ -
Non-Radioactive
3. Annual Revenue Requirement - Non-Radiological Qualified Fund \$ -
4. Total \$ 3

(9) POST ACCIDENT PREMATURE DECOMMISSIONING INSURANCE:
See Note 18 to 2008 Duke Energy Consolidated Financial Statements

ITEM / JURISDICTION

(10) FUND BALANCES AT COST ESTIMATE STUDY DATE (Note 1):

Beginning balances used in cost and funding calculations

(a) External - Qualified Funds	\$ 39,000	\$ 160,000
(b) External - Non-Qualified Fund (Note 2)	\$ 1,000	\$ 3,000
(c) External - Non-Qualified General Fund (Note 3)	n/a	n/a
(d) Total	\$ 40,000	\$ 163,000

(11) PROJECTED FUND BALANCES AT LICENSE EXPIRATION:

2028 excluding expenses

(a) External - Qualified Funds	\$ 265,000	\$ 1,079,000
(b) External - Non-Qualified Fund	\$ -	\$ -
(c) Total	\$ 265,000	\$ 1,079,000

Note 1: December 31, 2008 balances

Note 2: External non-qualified balance transferred to qualified fund in early 2009

Note 3: Not designated at unit level.

DECOMMISSIONING COST & FUNDING REPORT
AS OF DECEMBER 31, 2008
Dollars in Thousands

(1) UTILITY:
Duke Energy Carolinas

(2) PLANT:
Oconee

(3) UNIT:
Oconee 2

(4) COST STUDY COMPLETION DATE:
March 31, 2009

(5) DECOMMISSIONING STUDY INFORMATION

(a) Decommissioning Year: license expiration less 5 years 2028
(b) Decommissioning Method Selected: Prompt Dismantlement
(c) Cost Estimate Preparer TLG Services, Inc.

(6) CALCULATION FACTORS:

(a) Projected Escalation Rate 4.00%
(b) Source Of Escalation Rate Historical cost estimates, projected inflation
(c) Projected Net-Of-Tax Rate Of Return
1. External Qualified Fund 6.00%
2. External Non-Qualified Fund 5.50%
3. Internal Fund n/a
4. Composite n/a
(d) SC Retail Jurisdictional Allocation Factor 24.52460%
(e) Utility Ownership Factor 100%

(7) DECOMMISSIONING COST ESTIMATE:

(a) Current Year Dollars:
1. Radioactive Cost \$ 445,000
2. Non-Radioactive Cost \$ 22,000
3. Total \$ 467,000
4. 2008 NRC Minimum Cost Pursuant to 10 CFR 50.75 (b) and (c) \$ 372,000

(b) Projected Costs At License Expiration
1. Radioactive Cost \$ 975,000
2. Non-Radioactive Cost \$ 48,000
3. Total \$ 1,023,000

(8) REVENUE REQUIREMENTS FOR SC RETAIL in millions:

Annual Total Revenue Requirements
Radioactive
1. Annual Revenue Requirement - External Qualified Fund \$ 3
2. Annual Revenue Requirement - External Non-Qualified Fund \$ -
Non-Radioactive
3. Annual Revenue Requirement - Non-Radiological Qualified Fund \$ -
4. Total \$ 3

(9) POST ACCIDENT PREMATURE DECOMMISSIONING INSURANCE:
See Note 18 to 2008 Duke Energy Consolidated Financial Statements

ITEM / JURISDICTION

(10) FUND BALANCES AT COST ESTIMATE STUDY DATE (Note 1):

Beginning balances used in cost and funding calculations

(a) External - Qualified Funds	\$ 41,000	\$ 168,000
(b) External - Non-Qualified Fund (Note 2)	\$ 1,000	\$ 3,000
(c) External - Non-Qualified General Fund (Note 3)	n/a	n/a
(d) Total	\$ 42,000	\$ 171,000

(11) PROJECTED FUND BALANCES AT LICENSE EXPIRATION:

2028 excluding expenses

(a) External - Qualified Funds	\$ 251,000	\$ 1,023,000
(b) External - Non-Qualified Fund	\$ -	\$ -
(c) Total	\$ 251,000	\$ 1,023,000

Note 1: December 31, 2008 balances

Note 2: External non-qualified balance transferred to qualified fund in early 2009

Note 3: Not designated at unit level.

DECOMMISSIONING COST & FUNDING REPORT
AS OF DECEMBER 31, 2008
Dollars in Thousands

(1) UTILITY:
Duke Energy Carolinas

(2) PLANT:
Oconee

(3) UNIT:
Oconee 3

(4) COST STUDY COMPLETION DATE:
March 31, 2009

(5) DECOMMISSIONING STUDY INFORMATION

(a) Decommissioning Year: license expiration less 5 years 2029
(b) Decommissioning Method Selected: Prompt Dismantlement
(c) Cost Estimate Preparer TLG Services, Inc.

(6) CALCULATION FACTORS:

(a) Projected Escalation Rate 4.00%
(b) Source Of Escalation Rate Historical cost estimates, projected inflation
(c) Projected Net-Of-Tax Rate Of Return
1. External Qualified Fund 6.00%
2. External Non-Qualified Fund 5.50%
3. Internal Fund n/a
4. Composite n/a
(d) SC Retail Jurisdictional Allocation Factor 24.52460%
(e) Utility Ownership Factor 100%

(7) DECOMMISSIONING COST ESTIMATE:

(a) Current Year Dollars:
1. Radioactive Cost \$ 561,000
2. Non-Radioactive Cost \$ 51,000
3. Total \$ 612,000
4. 2008 NRC Minimum Cost Pursuant to 10 CFR 50.75 (b) and (c) \$ 372,000

(b) Projected Costs At License Expiration
1. Radioactive Cost \$ 1,280,000
2. Non-Radioactive Cost \$ 115,000
3. Total \$ 1,395,000

(8) REVENUE REQUIREMENTS FOR SC RETAIL in millions:

Annual Total Revenue Requirements
Radioactive
1. Annual Revenue Requirement - External Qualified Fund \$ 3
2. Annual Revenue Requirement - External Non-Qualified Fund \$ -
Non-Radioactive
3. Annual Revenue Requirement - Non-Radiological Qualified Fund \$ -
4. Total \$ 3

(9) POST ACCIDENT PREMATURE DECOMMISSIONING INSURANCE:
See Note 18 to 2008 Duke Energy Consolidated Financial Statements

ITEM / JURISDICTION

(10) FUND BALANCES AT COST ESTIMATE STUDY DATE (Note 1):

Beginning balances used in cost and funding calculations

	<u>SC Retail</u>	<u>All Jurisdictions</u>
(a) External - Qualified Funds	\$ 58,000	\$ 234,000
(b) External - Non-Qualified Fund (Note 2)	\$ 1,000	\$ 4,000
(c) External - Non-Qualified General Fund (Note 3)	n/a	n/a
(d) Total	\$ 59,000	\$ 238,000

(11) PROJECTED FUND BALANCES AT LICENSE EXPIRATION:

2029 excluding expenses

(a) External - Qualified Funds	\$ 342,000	\$ 1,395,000
(b) External - Non-Qualified Fund	\$ -	\$ -
(c) Total	\$ 342,000	\$ 1,395,000

Note 1: December 31, 2008 balances

Note 2: External non-qualified balance transferred to qualified fund in early 2009

Note 3: Not designated at unit level.

DECOMMISSIONING COST & FUNDING REPORT
AS OF DECEMBER 31, 2008
Dollars in Thousands

(1) UTILITY:
Duke Energy Carolinas

(2) PLANT:
McGuire

(3) UNIT:
McGuire 1

(4) COST STUDY COMPLETION DATE:
March 31, 2009

(5) DECOMMISSIONING STUDY INFORMATION

(a) Decommissioning Year: license expiration less 5 years 2036
(b) Decommissioning Method Selected: Prompt Dismantlement
(c) Cost Estimate Preparer: TLG Services, Inc.

(6) CALCULATION FACTORS:

(a) Projected Escalation Rate 4.00%
(b) Source Of Escalation Rate Historical cost estimates, projected inflation
(c) Projected Net-Of-Tax Rate Of Return
1. External Qualified Fund 6.00%
2. External Non-Qualified Fund 5.50%
3. Internal Fund n/a
4. Composite n/a
(d) SC Retail Jurisdictional Allocation Factor 24.52460%
(e) Utility Ownership Factor 100%

(7) DECOMMISSIONING COST ESTIMATE:

(a) Current Year Dollars:
1. Radioactive Cost \$ 538,000
2. Non-Radioactive Cost \$ 27,000
3. Total \$ 565,000
4. 2008 NRC Minimum Cost Pursuant to 10 CFR 50.75 (b) and (c) \$ 400,000

(b) Projected Costs At License Expiration
1. Radioactive Cost \$ 1,614,000
2. Non-Radioactive Cost \$ 81,000
3. Total \$ 1,695,000

(8) REVENUE REQUIREMENTS FOR SC RETAIL in millions:

Annual Total Revenue Requirements
Radioactive
1. Annual Revenue Requirement - External Qualified Fund \$ 2
2. Annual Revenue Requirement - External Non-Qualified Fund \$ -
Non-Radioactive
3. Annual Revenue Requirement - Non-Radiological Qualified Fund \$ -
4. Total \$ 2

(9) POST ACCIDENT PREMATURE DECOMMISSIONING INSURANCE:

See Note 18 to 2008 Duke Energy Consolidated Financial Statements

ITEM / JURISDICTION

(10) FUND BALANCES AT COST ESTIMATE STUDY DATE (Note 1):

Beginning balances used in cost and funding calculations

	<u>SC Retail</u>	<u>All Jurisdictions</u>
(a) External - Qualified Funds	\$ 57,000	\$ 230,000
(b) External - Non-Qualified Fund (Note 2)	\$ -	\$ 2,000
(c) External - Non-Qualified General Fund (Note 3)	n/a	n/a
(d) Total	\$ 57,000	\$ 232,000

(11) PROJECTED FUND BALANCES AT LICENSE EXPIRATION:

2036 excluding expenses

(a) External - Qualified Funds	\$ 415,000	\$ 1,695,000
(b) External - Non-Qualified Fund	\$ -	\$ -
(c) Total	\$ 415,000	\$ 1,695,000

Note 1: December 31, 2008 balances

Note 2: External non-qualified balance transferred to qualified fund in early 2009

Note 3: Not designated at unit level.

DECOMMISSIONING COST & FUNDING REPORT
AS OF DECEMBER 31, 2008
Dollars in Thousands

(1) UTILITY:
Duke Energy Carolinas

(2) PLANT:
McGuire

(3) UNIT:
McGuire 2

(4) COST STUDY COMPLETION DATE:
March 31, 2009

(5) DECOMMISSIONING STUDY INFORMATION

(a) Decommissioning Year: license expiration less 5 years 2038
(b) Decommissioning Method Selected: Prompt Dismantlement
(c) Cost Estimate Preparer: TLG Services, Inc.

(6) CALCULATION FACTORS:

(a) Projected Escalation Rate 4.00%
(b) Source Of Escalation Rate Historical cost estimates, projected inflation
(c) Projected Net-Of-Tax Rate Of Return
1. External Qualified Fund 6.00%
2. External Non-Qualified Fund 5.50%
3. Internal Fund n/a
4. Composite n/a
(d) SC Retail Jurisdictional Allocation Factor 24.52460%
(e) Utility Ownership Factor 100%

(7) DECOMMISSIONING COST ESTIMATE:

(a) Current Year Dollars:
1. Radioactive Cost \$ 574,000
2. Non-Radioactive Cost \$ 48,000
3. Total \$ 622,000
4. 2008 NRC Minimum Cost Pursuant to 10 CFR 50.75 (b) and (c) \$ 400,000

(b) Projected Costs At License Expiration
1. Radioactive Cost \$ 1,862,000
2. Non-Radioactive Cost \$ 156,000
3. Total \$ 2,018,000

(8) REVENUE REQUIREMENTS FOR SC RETAIL in millions:

Annual Total Revenue Requirements
Radioactive
1. Annual Revenue Requirement - External Qualified Fund \$ 1
2. Annual Revenue Requirement - External Non-Qualified Fund \$ -
Non-Radioactive
3. Annual Revenue Requirement - Non-Radiological Qualified Fund \$ -
4. Total \$ 1

(9) POST ACCIDENT PREMATURE DECOMMISSIONING INSURANCE:

See Note 18 to 2008 Duke Energy Consolidated Financial Statements

ITEM / JURISDICTION

(10) FUND BALANCES AT COST ESTIMATE STUDY DATE (Note 1):

Beginning balances used in cost and funding calculations

	<u>SC Retail</u>	<u>All Jurisdictions</u>
(a) External - Qualified Funds	\$ 68,000	\$ 278,000
(b) External - Non-Qualified Fund (Note 2)	\$ -	\$ 1,000
(c) External - Non-Qualified General Fund (Note 3)	n/a	n/a
(d) Total	\$ 68,000	\$ 279,000

(11) PROJECTED FUND BALANCES AT LICENSE EXPIRATION:

2038 excluding expenses

(a) External - Qualified Funds	\$ 495,000	\$ 2,018,000
(b) External - Non-Qualified Fund	\$ -	\$ -
(c) Total	\$ 495,000	\$ 2,018,000

Note 1: December 31, 2008 balances

Note 2: External non-qualified balance transferred to qualified fund in early 2009

Note 3: Not designated at unit level.

DECOMMISSIONING COST & FUNDING REPORT
AS OF DECEMBER 31, 2008
Dollars in Thousands

(1) UTILITY:
Duke Energy Carolinas

(2) PLANT:
Catawba

(3) UNIT:
Catawba 1

(4) COST STUDY COMPLETION DATE:
March 31, 2009

(5) DECOMMISSIONING STUDY INFORMATION

(a) Decommissioning Year: license expiration less 5 years 2038
(b) Decommissioning Method Selected: Prompt Dismantlement
(c) Cost Estimate Preparer: TLG Services, Inc.

(6) CALCULATION FACTORS:

(a) Projected Escalation Rate 4.00%
(b) Source Of Escalation Rate Historical cost estimates, projected inflation
(c) Projected Net-Of-Tax Rate Of Return
1. External Qualified Fund 6.00%
2. External Non-Qualified Fund 5.50%
3. Internal Fund n/a
4. Composite n/a
(d) SC Retail Jurisdictional Allocation Factor 24.52460%
(e) Utility Ownership Factor 19.2460%

(7) DECOMMISSIONING COST ESTIMATE:

(a) Current Year Dollars:
1. Radioactive Cost \$ 109,000
2. Non-Radioactive Cost \$ 5,000
3. Total \$ 114,000
4. 2008 NRC Minimum Cost Pursuant to 10 CFR 50.75 (b) and (c) \$ 77,000

(b) Projected Costs At License Expiration
1. Radioactive Cost \$ 353,000
2. Non-Radioactive Cost \$ 18,000
3. Total \$ 371,000

(8) REVENUE REQUIREMENTS FOR SC RETAIL in millions:

Annual Total Revenue Requirements
Radioactive
1. Annual Revenue Requirement - External Qualified Fund \$ 0.2
2. Annual Revenue Requirement - External Non-Qualified Fund \$ -
Non-Radioactive
3. Annual Revenue Requirement - Non-Radiological Qualified Fund \$ -
4. Total \$ 0.2

(9) POST ACCIDENT PREMATURE DECOMMISSIONING INSURANCE:
See Note 18 to 2008 Duke Energy Consolidated Financial Statements

ITEM / JURISDICTION

(10) FUND BALANCES AT COST ESTIMATE STUDY DATE (Note 1):

Beginning balances used in cost and funding calculations

	<u>SC Retail</u>	<u>All Jurisdictions</u>
(a) External - Qualified Funds	\$ 8,000	\$ 33,000
(b) External - Non-Qualified Fund (Note 2)	\$ 4,000	\$ 15,000
(c) External - Non-Qualified General Fund (Note 3)	n/a	n/a
(d) Total	\$ 12,000	\$ 48,000

(11) PROJECTED FUND BALANCES AT LICENSE EXPIRATION:

2038 excluding expenses

(a) External - Qualified Funds	\$ 80,000	\$ 327,000
(b) External - Non-Qualified Fund	\$ 11,000	\$ 44,000
(c) Total	\$ 91,000	\$ 371,000

Note 1: December 31, 2008 balances

Note 2: External non-qualified balance transferred to qualified fund in early 2009 to extent permissible under current IRS Ruling.

Note 3: Not designated at unit level.

DECOMMISSIONING COST & FUNDING REPORT
AS OF DECEMBER 31, 2008
Dollars in Thousands

(1) UTILITY:
Duke Energy Carolinas

(2) PLANT:
Catawba

(3) UNIT:
Catawba 2

(4) COST STUDY COMPLETION DATE:
March 31, 2009

(5) DECOMMISSIONING STUDY INFORMATION

(a) Decommissioning Year: license expiration less 5 years 2038
(b) Decommissioning Method Selected: Prompt Dismantlement
(c) Cost Estimate Preparer: TLG Services, Inc.

(6) CALCULATION FACTORS:

(a) Projected Escalation Rate 4.00%
(b) Source Of Escalation Rate Historical cost estimates, projected inflation
(c) Projected Net-Of-Tax Rate Of Return
1. External Qualified Fund 6.00%
2. External Non-Qualified Fund 5.50%
3. Internal Fund n/a
4. Composite n/a
(d) SC Retail Jurisdictional Allocation Factor 24.52460%
(e) Utility Ownership Factor 19.2460%

(7) DECOMMISSIONING COST ESTIMATE:

(a) Current Year Dollars:
1. Radioactive Cost \$ 113,000
2. Non-Radioactive Cost \$ 10,000
3. Total \$ 123,000
4. 2008 NRC Minimum Cost Pursuant to 10 CFR 50.75 (b) and (c) \$ 77,000

(b) Projected Costs At License Expiration
1. Radioactive Cost \$ 367,000
2. Non-Radioactive Cost \$ 31,000
3. Total \$ 398,000

(8) REVENUE REQUIREMENTS FOR SC RETAIL in millions:

Annual Total Revenue Requirements
Radioactive
1. Annual Revenue Requirement - External Qualified Fund \$ 0.2
2. Annual Revenue Requirement - External Non-Qualified Fund \$ -
Non-Radioactive
3. Annual Revenue Requirement - Non-Radiological Qualified Fund \$ -
4. Total \$ 0.2

(9) POST ACCIDENT PREMATURE DECOMMISSIONING INSURANCE:
See Note 18 to 2008 Duke Energy Consolidated Financial Statements

ITEM / JURISDICTION

(10) FUND BALANCES AT COST ESTIMATE STUDY DATE (Note 1):

Beginning balances used in cost and funding calculations

	<u>SC Retail</u>	<u>All Jurisdictions</u>
(a) External - Qualified Funds	\$ 9,000	\$ 38,000
(b) External - Non-Qualified Fund (Note 2)	\$ 4,000	\$ 15,000
(c) External - Non-Qualified General Fund (Note 3)	n/a	n/a
(d) Total	\$ 13,000	\$ 53,000

(11) PROJECTED FUND BALANCES AT LICENSE EXPIRATION:

2038 excluding expenses

(a) External - Qualified Funds	\$ 86,000	\$ 352,000
(b) External - Non-Qualified Fund	\$ 11,000	\$ 46,000
(c) Total	\$ 97,000	\$ 398,000

Note 1: December 31, 2008 balances

Note 2: External non-qualified balance transferred to qualified fund in early 2009 to extent permissible under current IRS Ruling.

Note 3: Not designated at unit level.